



TO: All DWD Managers & Supervisors
Chief Elected Officials
Grant Recipients
WIB Directors
Fiscal Agents

FROM: Diana L. Gushrowski
Interim Deputy Commissioner/Controller

DATE: October 1, 2004

SUBJECT: DWD Policy 2004-11
Property Management/Surplus Property Policy

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Purpose:

To publish policy and guidelines regarding management and surplus of all DWD property – Real, Personal, and Non-expendable.

Content:

This policy combines former DWD Communications 2001-25, Surplus Property Disposal Policy, and DWD Communication 2002-05, Property Management Policy. It also incorporates the new surplus guidelines from the Indiana Department of Administration for computer equipment. DWD's policy is based upon the requirements of the U. S. Department of Labor, Capital Asset Policy of the State of Indiana, and Department of Administration's Procedure for Surplus of State-Owned Property.

The guidelines and definitions (see attachment) apply to the management and surplus of all property purchased with DWD funds.

- I. The following provisions apply to the acquisition of personal property:
- A. **Real Property** - Request to purchase real property must be directed to the Controller of the Department of Workforce Development.
 - B. **Personal Property – Non-expendable Personal Property** – In some cases prior approval from DWD to purchase non-expendable personal property is required. Refer to DWD Policy 2003-24, Procurement and Prior Approval Policy for Grantees, for further instructions.

Title to non-expendable personal property, upon purchase and receipt, remains vested in the State of Indiana (DWD) or the U. S. Department of Labor. Title to non-expendable property acquired as the result of a lease/purchase agreement and resulting in ownership is also vested to the State of Indiana (DWD) and will be included in DWD's Asset Management System.

Grantees/Fiscal Agents will use the property in the project for which it was acquired unless otherwise provided in the grant or agreement or in documents authorizing acquisition. When no longer needed for the original project, the Grantee/Fiscal Agent must request disposition instructions from DWD Property Officer.

II. Property management standards for non-expendable personal property will include the following procedural requirements:

- A. All property with a unit acquisition cost of \$500.00 or more will be marked with a DWD tag and will be entered in the DWD Asset Management System within 30 days of acquisition. Title of such remains with the State of Indiana or U. S. Department of Labor. Tags may be obtained from the DWD Property Officer.

It is the responsibility of the DWD Cost Center Manager, Grantee, or Fiscal Agent to insure the property has been entered into DWD's Asset Management System. If system access is not available, required information can be e-mailed to DWD Property Officer.

Property with a unit acquisition of \$499.99 or less will not be tracked in DWD's Asset Management System. DWD tags will not be used to mark this equipment. Fiscal Agents, however, are urged to maintain a spreadsheet application to track this property at the local level. This is a tool to use in the transfer of assets in the event of a change in Fiscal Agent or the operational structure of the WIB.

- B. A physical inventory is required on an annual basis. The results will be reconciled with the property records and submitted to the DWD Property Officer no later than October 31st each year. The effective date for this annual schedule will begin in 2005.
- C. Any differences determined by the physical inspection and those shown in the accounting records will be investigated by the Cost Center Manager or Fiscal Agent to determine the reasons for the differences. The Grantee/Fiscal Agent will certify a complete inventory from DWD's Asset Management System and submit to the DWD Property Officer.
- D. DWD Cost Center Managers and WIB Fiscal Agents should have a plan in place to ensure adequate safeguards to prevent loss, damage, or theft of the property, i.e., storing unused laptops in a secure location. Any loss, damage, or theft of non-expendable personal property will be investigated, fully documented (including a copy of a police report) and reported to DWD Investigations and Security within ten (10) working days of the loss.

- E. Adequate maintenance procedures will be implemented by Cost Center Managers and Fiscal Agents to keep the property in good working condition.
 - F. Property purchased with Federal funds may not be used in Fee for Service programs to provide services for a fee to compete unfairly with private companies that provide equivalent services. Refer to DWD Communication 2004-02, Fee for Services Policy Guidance.
- III. **Disposition of Non-expendable Property** – Upon notification of the end of a program or contract, disposition instructions must be requested from the DWD Property Officer for all non-expendable property, regardless of original cost or current value.
- IV. **Surplus Property** - The following provisions will apply to all surplus property disposal, with the exception of monitors and computer equipment with memory:
- A. All surplus property must be reviewed by a Property Evaluator to determine market value. Darrell Smith, Supervisor, Office Services, is the Property Evaluator for the Administrative Office.
 - B. Any **useable** property should first be offered to other DWD Cost Centers in your Workforce Service Area. If there is no interest in the property, contact Dennis Palmer, DWD Surplus, (317) 233-5548. If DWD Surplus is not interested in the property, it can then be offered to WIA Cost Centers. DWD Form 2823, Notice of Property Transfer, must be completed if the property is transferred to any of these groups.

If there is no interest in the surplus property, contact the DWD Property Officer for further instructions.
 - C. **Disposal:** All items requested for disposal must be determined by a Property Evaluator to be “broken beyond economical repair”. Upon approval by State Surplus through the DWD Property Officer, the property must be disposed within 30 days.

The following rules for **disposal** apply:

1. Remove all DWD tags.
2. No money can be accepted for the property as it has been determined to have no market value.
3. The property cannot be given or sold to employees, the public or other entities. Again, this would mean the property does have market value and should be put through the sale process through the Department of Administration, Indiana State Surplus.

4. Property may be placed in the local office dumpster. If a dumpster is not available, the property must be either picked up by, or delivered to, a trash hauling firm, landfill, or dump. If there is a cost involved, the location with the surplus items will pay for the disposal.
 5. After disposal, written verification as to the date and method of disposal must be submitted to the DWD Property Officer, which will be retained for State Board of Accounts audits.
- B. **Monitors:** Monitors cannot be disposed as other property. Monitors contain an environmentally toxic material and state agencies are not allowed to put these monitors in landfills, dumpsites or dumpsters. Monitors must be returned to DWD Stockroom where they will be taken to Indiana State Surplus for proper disposal of the hazardous materials.
- C. **Computer Equipment with Memory:** Indiana Department of Administration has implemented a policy that all data and programs must be removed from electronic storage media, i.e., personal computers, PDAs, routers, firewalls, and switches, by the agency before being sent to State Surplus, moved to another agency, and/or destroyed.

Before any computer equipment can be disposed, DWD Information Services Customer Support (317-233-0560) must be contacted for instructions for erasing the memory. Once that has been determined, the DWD Property Officer must be contacted for disposal instructions.

Effective Date: Immediately

Review Date: October 1, 2006

Ownership: DWD Management Services

Action: Cost Center Managers, Grantees, and Fiscal Agents should be familiar with this policy. Questions or requests for clarification of this policy should be directed to DWD Property Officer, Mike Strain, 317-232-1896 or mstrain@dwd.state.in.us.

Definitions:

Real Property: Land, building, and improvements to building and structures, excluding movable machinery and equipment.

Personal Property: Personal property of any kind except real property. It may be tangible - having physical existence, or intangible - having no physical existence such as patents, inventions, and copyrights.

Non-expendable Personal Property: Tangible personal property having a useful life of more than one (1) year and a unit cost of \$500 or more per unit.

Non-expendable Personal Component Property: Any part, feature, device or constituent element, internal or external, whose function is designed to support and/or enhance the unit's performance and is necessary to the operation of the unit as a whole. For example, a personal computer (a unit) consists of the component equipment of a monitor, central processing unit, keyboard, and any internal features. A VCR has a monitor as a component part.

Acquisition Cost of Purchased Non-expendable Personal Property: The net invoice unit price of the property including cost of modifications, attachments, accessories, and auxiliary apparatus necessary to make the property usable for the purpose it was acquired and includes the cost of installations, transportation, taxes, and duty or protective in-transit insurance.

Unit Cost of Purchased Non-expendable Personal Property: Same definition as Acquisition Cost of Purchased Non-expendable Personal Property but excludes cost of installations, transportation, and duty or in-transit insurance. Unit Cost is the figure to be used in the DWD Asset Management System.

DWD Asset Management System: Oracle system developed by Department of Workforce Development to track assets as required by U. S. Department of Labor and Indiana State Board of Accounts.

Tags: State of Indiana Fixed Asset Inventory tags with bar codes that are issued by DWD Property Officer. Only tags beginning with '510' are to be used on new equipment.

Surplus Property: Any item of personal property, regardless of acquisition cost, that is no longer needed by a state agency or grantee. Disposition of such property must be obtained from DWD Property Officer.

High Value Property: Any item of personal property with an acquisition cost greater than \$2,500.00.

Medium Value Property: An item of personal property with an acquisition cost between \$500 and \$2500.

Low Value Property: An item of personal property with an acquisition cost under \$500.

Property Evaluator: An employee identified by the Department of Workforce Development and trained in surplus property disposition.

State Agency: Under IC 4-13-1-1, “state agency” is defined to include departments of government, i.e., IDOA, Department of Corrections, FSSA, etc. “State agency”, as stated in this statute, does **not** include state educational institutions, including state colleges and universities.

Transportation Costs: The dollar amount to have equipment or furniture delivered to Department of Workforce Development, 10 N. Senate Avenue, Indianapolis.